

## Message Text

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PAGE 01 STATE 013697

42  
ORIGIN AEC-11

INFO OCT-01 ARA-16 EUR-25 ISO-00 SCI-06 L-03 IO-14 ACDA-19

CIAE-00 INR-10 NSAE-00 NSC-10 RSC-01 FEA-02 SS-20

PM-07 H-03 EB-11 /159 R

66603  
DRAFTED BY: USAEC, D.H. COOPER  
APPROVED BY: SCI - H.D. BREWSTER  
USAEC, D.B. HOYLE  
L/SCI- E. MAURER  
IO/SCT- F. J. GALANTO  
----- 050054

P 221646Z JAN 74  
FM SECSTATE WASHDC  
TO AMEMBASSY VIENNA PRIORITY  
INFO AMEMBASSY MEXICO PRIORITY

UNCLAS STATE 013697

E.O. 11652: N/A  
TAGS: TECH, IAEA, MX, US  
SUBJ: NUCLEAR FUEL SUPPLY FOR MEXICAN POWER REACTOR

REF: IAEA VIENNA 0397 AND 0398

1. USAEC PREPARED PROCEED WITH DRAFT SUPPLY AGREEMENT BETWEEN MEXICO, IAEA, AND U.S. IN HOPES SUCH DRAFT MAY BE APPROVED BY BOARD IN FEBRUARY MEETING. FOLLOWING ARE USAEC COMMENTS ON AGENCY'S PRELIMINARY DRAFT:

A. ARTICLE I. 2. IN FIRST SENTENCE DELETE "CONJUNCTION WITH" AND INSERT IN LIEU THEREOF IMPLEMENTATION OF. IN SECOND SENTENCE FOLLOWING "(B)" DELETE "A" AND INSERT IN LIEU THEREOF PROCEDURES FOR REACHING AGREEMENT UPON. ALSO, INSERT THE WORDS AND THEREAFTER AT END OF SAID SECOND SENTENCE. DELETE THIRD SENTENCE IN ITS ENTIRETY.

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 STATE 013697

B. ARTICLE III. 1. USAEC STRONGLY FEELS THAT THE LONG-TERM

CONTRACT PROJECTED TO BE ENTERED INTO BETWEEN MEXICO AND USAEC  
SHOULD CONTAIN STANDARD ENRICHMENT CONTRACT PROVISION CALLING FOR  
DELIVERY F.O.B. AT AEC SUPPLYING FACILITY RATHER THAN AT A  
"PORT OF EXPORT IN THE UNITED STATES" AS CALLED FOR IN AGENCY  
DRAFT, SINCE TO DO OTHERWISE WOULD BE DISCRIMINATORY; HOWEVER,  
RECOGNIZE PROBLEMS MENTIONED BY AGENCY. ACCORDINGLY USAEC  
GIVING FURTHER CONSIDERATION INCLUDING ALTERNATIVE SOLUTION AS  
SUGGESTED PARAGRAPH 8 VIENNA 0398.

C. ARTICLE III. 2. SHOULD BE REVISED BY INSERTING "IN  
ACCORDANCE WITH THE LONG-TERM CONTRACT" AT THE END OF FIRST  
SENTENCE.

D. ARTICLE VI. 1. SHOULD BE REVISED TO READ "IN THE EVENT OF  
TERMINATION OR SUSPENSION OF THE LONG-TERM CONTRACT AS PROVIDED  
FOR THEREUNDER, THE COMMISSION AND MEXICO SHALL JOINTLY NOTIFY  
THE AGENCY OF THE DATE ON WHICH SUCH TERMINATION OR SUSPENSION  
IS EFFECTIVE. THIS AGREEMENT SHALL BE TERMINATED OR SUSPENDED  
AS PROVIDED IN SUCH NOTICE. IT IS AGREED BY MEXICO AND THE  
AGENCY THAT ANY SUCH TERMINATION OR SUSPENSION SHALL BE WITHOUT  
PREJUDICE TO THE IMPLEMENTATION OF THE RIGHTS AND RESPONSIBILITIES  
OF THE AGENCY UNDER THE PROJECT AGREEMENT."

E. ARTICLE VI. 2. IN THE SECOND SENTENCE DELETE "EITHER" AND  
INSERT ANY IN LIEU THEREOF.

F. ARTICLE VII. AS SUGGESTED REFTEL, TEXT THIS ARTICLE SHOULD  
BE ESSENTIALLY IDENTICAL TO THAT USED IN RECENT US-IAEA THIRD  
COUNTRY SUPPLY AGREEMENTS.

G. ARTICLE VIII. THE LAST CLAUSE SHOULD BE REVISED TO READ  
"AND SHALL REMAIN IN FORCE FOR THE PERIOD OF THE LONG-TERM  
CONTRACT."

H. FINALLY, ADD A NEW ARTICLE IX, AGREEMENT FOR COOPERATION,  
AS FOLLOWS:

"THIS AGREEMENT, AS WELL AS THE LONG-TERM CONTRACT, SHALL BE  
SUBJECT TO AND IN ACCORDANCE WITH THE COOPERATION AGREEMENT,  
AS IT MAY BE AMENDED. IN THE EVENT OF ANY CONFLICT BETWEEN THIS  
UNCLASSIFIED

UNCLASSIFIED

PAGE 03 STATE 013697

AGREEMENT OR THE LONG-TERM CONTRACT, AND THE COOPERATION AGREEMENT,  
THE LATTER SHALL GOVERN."

2. FOR INFORMATION OF MISSION AND AGENCY, PROPOSED U.S.  
-MEXICO CONTRACT WILL CONTAIN A "CONDITION SUBSEQUENT"  
STATING IN EFFECT THAT IN EVENT APPROPRIATE U.S. LEGISLATION  
AMENDING ATOMIC ENERGY ACT (SECTION 54) TO PERMIT IMPLEMENTATION  
OF CONTRACT DOES NOT BECOME EFFECTIVE BEFORE A SPECIFIED DATE,

AND UNLESS OTHERWISE AGREED, THE CONTRACT SHALL TERMINATE,  
THE OBLIGATIONS OF THE PARTIES WILL BE NULL AND VOID, AND THE  
AEC SHALL RETURN ANY ADVANCE PAYMENTS MADE. AS INDICATED  
STATE 220704, PROPOSED AMENDMENT TO ATOMIC ENERGY ACT SUBMITTED  
TO CONGRESS OCTOBER 30.

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** NUCLEAR ENERGY, SUPPLIES, NUCLEAR AGREEMENTS, NUCLEAR REACTORS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 22 JAN 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1974STATE013697  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** USAEC, D.H. COOPER  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** n/a  
**From:** STATE  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1974/newtext/t19740124/aaaaawjw.tel  
**Line Count:** 121  
**Locator:** TEXT ON-LINE  
**Office:** ORIGIN AEC  
**Original Classification:** UNCLASSIFIED  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
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**Previous Channel Indicators:**  
**Previous Classification:** n/a  
**Previous Handling Restrictions:** n/a  
**Reference:** IAEA VIENNA 0397 AND 0398  
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**Review Content Flags:**  
**Review Date:** 26 FEB 2002  
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30 JUN 2005

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**Review Transfer Date:**  
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**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** NUCLEAR FUEL SUPPLY FOR MEXICAN POWER REACTOR  
**TAGS:** TECH, MX, US, IAEA  
**To:** VIENNA  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005